

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)
)
CIRCUIT CITY STORES, INC., et al.) Chapter 11
)
Debtors.) Case No. 08-35653
)
) **Jointly Administered**
)

**TRIBUNE COMPANY AND LOS ANGELES TIMES NEWSPAPER INC.'S RESPONSE
TO DEBTORS' SEVENTIETH OMNIBUS OBJECTION TO CLAIMS
(DISALLOWANCE OF CERTAIN (I) NO LIABILITY (LEGAL CLAIMS); (II) NO
LIABILITY (SATISFIED CLAIMS); (III) NO LIABILITY (HUMAN RESOURCES
CLAIMS); AND (IV) NO LIABILITY (MISCELLANEOUS CLAIMS))**

Tribune Company and Los Angeles Times Newspapers, Inc. (collectively, "Tribune"), by and through its undersigned attorneys, as and for its Response (the "Response") to Debtors' Seventieth Omnibus Objection to Claims (Disallowance of Certain (I) No Liability (Legal Claims); (II) No Liability (Satisfied Claims); (III) No Liability (Human Resources Claims); (IV) No Liability (Miscellaneous Claims)) (the "Objection"), states as follows:

1. Tribune provided the Debtors with certain advertising in the November 27, 2008 edition of the Los Angeles Times Newspaper (the "Circuit City Ad"). A true and correct copy of the Circuit City Ad is attached hereto as Exhibit A.

2. The Circuit City Ad was run pursuant to an insertion order submitted by Circuit City Stores, Inc. ("Circuit City") dated October 2, 2008 (the "Insertion Order"), reflecting the cost of the Circuit City Ad to be \$62,697.32. A true and correct copy of the Insertion Order is attached hereto as Exhibit B.

3. On or about February 28, 2009, Tribune invoiced Circuit City for the cost of the Circuit City Ad in the amount of \$62,697.32 (the "February Invoice"). The total outstanding balance on the February Invoice was \$503,756.69 based upon the current charge for the Circuit City Ad and a prior balance of \$441,059.37. A true and correct copy of the February Invoice is attached hereto as Exhibit C. Tribune did not receive any payments for the charges reflected on the February Invoice as evidenced by the invoice dated March 31, 2009 (the "March Invoice") showing an outstanding balance for the entire \$503,756.69 billed to Circuit City in the February Invoice. A true and correct copy of the March Invoice is attached hereto as Exhibit D.

4. On or about April 30, 2009, the Tribune wrote-off the \$62,697.32 as a bad debt expense as shown on the master listing of the Circuit City account maintained by Tribune. A true and correct copy of a screen print of the master listing for Circuit City's account showing the \$62,697.32 bad debt write-off is attached hereto as Exhibit E. This write-off is also reflected on the invoice dated April 30, 2009 (the "April Invoice"). A true and correct copy of the April Invoice is attached hereto as Exhibit F. While the line item description is "payment," in Tribune's accounting records, the Tribune wrote-off the entire cost of the Circuit City Ad.

5. On May 28, 2009, Tribune timely filed its administrative proof of claim (the "Claim") in the above-captioned proceeding asserting an administrative priority claim in the amount of \$62,697.32 for the Circuit City Ad against Circuit City. The Claim was assigned claim number 13068. A true and correct copy of the Claim is attached hereto as Exhibit G.

6. On or about March 26, 2010, the Debtors, filed the Objection, asserting the Claim should be disallowed on the basis that, "After review of their books and records, the Debtors have determined that the Claim is overstated, and that the proper amount of the Claim is \$6,000. Additionally, the Debtors' books and record indication the claimant was paid for this amount and

the Claim has been satisfied. Accordingly, the Debtors dispute any liability with respect to this Claim.” *See* Objection, Ex. F.

7. Upon receiving the Objection, Tribune reviewed the Circuit City’s account, and determined that the Tribune did not receive any payment related to the Circuit City Ad, whether for \$6,000.00 as claimed in the Objection, or any other amount, nor is there any indication that the Claim should be asserted in any amount other than \$62,697.32, the cost of the Circuit City Ad. To the extent Debtors have evidence to the contrary, Tribune requests the Debtors produce evidence justifying the alleged overstatement of the Claim, including but not limited to payments for the Circuit City Ad.

8. Tribune continues to reserve all its rights, claims and defenses under the Claim. Tribune further reserves the right to modify, supplement or amend the Claim.

WHEREFORE, for the foregoing reasons Tribune respectfully requests that this Court enter an order:

- (1) Overruling the Objection;
- (2) Granting Tribune an allowed administrative claim in the amount of \$62,697.32;
- and
- (3) Granting such other relief this Court deems just and proper.

Respectfully submitted,

TRIBUNE COMPANY AND LOS ANGELES
TIMES NEWSPAPER, INC.

Dated: April 22, 2010

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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of April, 2010, a true and correct copy of the foregoing Tribune Company and Los Angeles Times Newspaper Inc.'s Response to Debtors' Seventieth Ominbus Objection to Claims (Disallowance of Certain (I) No Liability (Legal Claims); (II) No Liability (Satisfied Claims); (III) No Liability (Human Resources Claims); And (IV) No Liability (Miscellaneous Claims)) will be served by ECF e-mail pursuant to the applicable Standing Order of the Court; (2) I caused a true and correct copy of the foregoing Tribune Company and Los Angeles Times Newspaper Inc.'s Response to Debtors' Seventieth Ominbus Objection to Claims (Disallowance of Certain (I) No Liability (Legal Claims); (II) No Liability (Satisfied Claims); (III) No Liability (Human Resources Claims); And (IV) No Liability (Miscellaneous Claims)) to be sent by e mail to circuitcityservice@mcguirewoods.com and project.circuitcity@skadden.com; and (3) I caused a true and correct copy of the foregoing Tribune Company and Los Angeles Times Newspaper Inc.'s Response to Debtors' Seventieth Ominbus Objection to Claims (Disallowance of Certain (I) No Liability (Legal Claims); (II) No Liability (Satisfied Claims); (III) No Liability (Human Resources Claims); And (IV) No Liability (Miscellaneous Claims)) to be sent by facsimile and first class mail, postage prepaid, to:

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